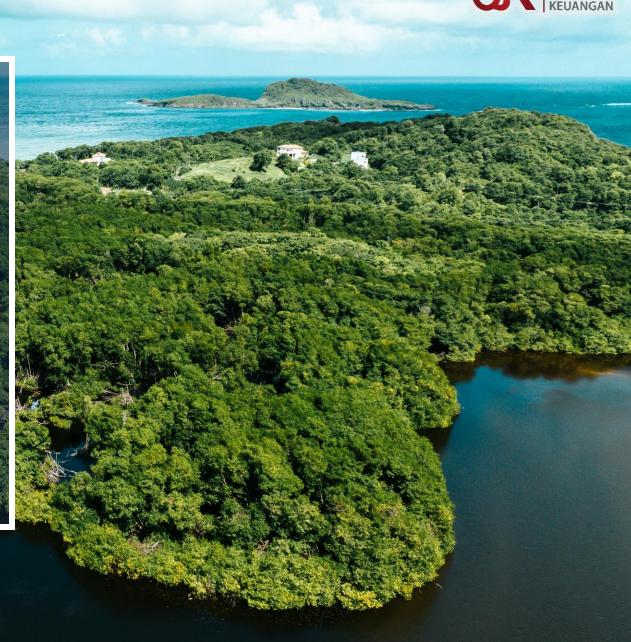


OJK Sustainable Finance Development

Chairman of the Board of Commissioners Indonesia Financial Services Authority 2025



The Journey of Sustainable Finance OJK & What's Next



OJK has established several initiatives and frameworks aimed at integrating sustainability into financial practices. Recognizing the critical role that finance plays in addressing environmental, social, and governance (ESG) issues, OJK has taken significant steps to promote sustainable financing within the financial sector. By embedding sustainability into the financial sector, sustainable financing initiatives are hoped to not only enhance financial stability but also contribute to a more resilient and sustainable economic future for Indonesia.

Sustainable Finance Roadmap Phase I (2015 -2019) Su 2016 Fir

Sustainable Finance Information Hub Issued several regulations including:

 OJK Regulation 51/2017 concerning the Implementation of Sustainable Finance For Financial Services Institutions, Issuer Companies, and Public Companies

 OJK Regulation 60/2017 concerning Issuance and Requirements for Green Bonds

2018

The First Green Bond/Sukuk, incentive for Green Bond, Indonesian Sustainable Finance Initiative (IKBI)

Indonesia became the First Mover for Sustainable Initiatives in Emerging Countries (by SBFN), POJK 51/2017 has been implemented for banks

020

Incentives for the development of Electric Vehicle (EV) Ecosystem (until 2023)



- Sustainable Finance Roadmap Phase II (2021-2025)
- Sustainable Finance Task Force

2022

Indonesia Green
 Taxonomy Version 1.0

- Consultative Paper
 "Principles for the
 effective management
 and supervision of
 climate-related
 financial risks"
- Support from finance companies and insurance companies in supporting EV until 2023

2023

Launching of the Indonesian Carbon Exchange and issued several regulations including:

- OJK Regulation Number 14 of 2023 concerning Carbon Trading through the Carbon Exchange
- 2) OJK Regulation Number 17 of 2023 concerning Implementation of Governance for Commercial Banks, especially regarding climate risk
- OJK Regulation Number 18 of 2023 concerning Issuance and Requirements for Bond and Sukuk Based on Sustainability.

2024



Indonesia Taxonomy for Sustainable Finance (TKBI)

Implementation of THI (pilot project) since 2022 and continued TKBI 2024



Implementation of pilot project CRMS

- Launching Accelerator Program for Thematic Bonds/Sukuk
- Indonesia has entered the Maturing Phase (since 2021) by SBFN (the highest among other EMDEs)
- SF Technical Guidance for Multifinance Company

Jan - 2025



Launching of International Carbon Trading through the Indonesian Carbon Exchange

What's next

- Continuing to **finalize TKBI for all NDC-related sectors** in line with the development of ASEAN Taxonomy for Sustainable Finance (ATSF) as one of the main references of TKBI.
- Updating OJK Regulation Number 51/POJK.03/2017, through alignment with international standards including ISSB IFRS S1-General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2-Climate-related as well as other international standards (BCBS, IOSCO, etc.).
- Development of a **centralized data base** for climate-related data and a reporting system that includes sustainability reporting and disclosure, TKBI, etc.
- Establishment and involvement in the **Sustainable Finance Committee.**
- Preparation of *transition plan* to support the adoption of IFRS S1 and S2.

Sectoral Sustainable Finance Initiatives (Banking, Capital Market, NBFI)

- Continuing to develop of Climate Risk Management & Scenario
 Analysis (CRMS) for banking and risk-based supervisory guidelines
 for supervisors to implement climate-related financial risk.
- Development of carbon exchange ecosystem.
- Development of sustainability insurance: parametric insurance, electric vehicle insurance and preparation of energy saving insurance (ESI) study.
- Development of Sustainable Capital Market Roadmap.

OJK'S COMMITMENT TO PROMOTE SUSTAINABLE FINANCING WITHIN THE FINANCIAL SECTOR – GOING FORWARD



Indonesia Taxonomy for Sustainable Finance (TKBI)—Interoperable with ASEAN Taxonomy

2024

Energy

2025

Construction & Real Estate (C&RE), Transportation & Storage (T&S), dan some activities in the AFOLU sector

2026

Agriculture, IPPU, Waste

All NDC-related sectors (including amendments if any) + pilot project reporting + periodic updates (living document) in line with the concept of sunsetting and grandfathering

Law No. 4 of 2023 on **Financial** Sector **Development** and

Strengthening







- 1. coordination in developing and establishing Sustainable Finance strategies, policies, and programs;
- 2. optimization of fiscal, microprudential, monetary, payment system, and macroprudential policy support;
- 3. development of databases and supporting infrastructure for the implementation of Sustainable Finance; and
- 4. coordination in developing a sustainable taxonomy.

Government Regulation on Sustainable Finance Committee and sustainable taxonomy



Climate Risk Management & Scenario Analysis (CRMS)

2023

1. CRST Bottom-Up Guide (1st Version) and pilot project by 11 banks in the Sustainable Finance Task Force.

- CRMS 2. **Development of supervisory action** concept to support the implementation of climate risk management and Sustainable Finance implementation (banking sustainability maturity assessment).
- 1. Issuance of CRMS Guidelines and CRST pilot project by 18 banks (KBMI 3 and 4).

2024

- 2. Development of climate data and scenarios.
- 3. Preparation of regulation related to Sustainable Finance **Implementation,** including a review of banks' readiness to adopt IFRS S1 and S2 in Indonesia.
- Development of supervisory action concept (banking sustainability maturity assessment and governance).
- 5. Capacity building.

Guideline and expansion of CRMS pilot project.

2. Development of climate data and scenarios.

2025

Full implementation of supervisory action in promoting climate risk management and Sustainable Finance implementation.

Full implementation of Climate Risk **Management Policy.**

2026

OJK Regulation Number 14 of 2023 concerning Carbon Trading through the Carbon Exchange

OJK Regulation Number 17 of 2023 concerning Implementation of Governance for Commercial Banks, especially regarding climate risk

OJK Regulation Number 18 of 2023 concerning Issuance and Requirements for Bond and Sukuk Based on Sustainability.

2026

- Government **Regulation on** sustainable taxonomy
- TKBI is finalized for all **NDC** sectors
- **✓** Full Implementation of Climate Risk Management Policy.
- **OJK Regulation** adopting IFRS S1 and S2 standards

POJK 51/2017 update - IFRS S1 and S2 adoption considering developments at DSK-IAI (Assuming the DSK IAI Standard is published in Q2 2025)

POJK 51/2017

Q3 2024 - Q1 2025

Preparation of an academic paper

Q2 2025

DSK IAI issued Sustainability

Disclosure Standard

Q3 2025 - Q2 2026

OJK Rule-Making-Rule Process

Indicative - On Discussion

Issuance of POJK

Transition Plan + Technical Guidelines + SR and RAKB Digitalization

